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IN THE

Supreme Court of the United States

October Term, 1967

No. 312

MAX J. LUGASH and MAXON INDUSTRIES, INC.,
Petitioners,

vs.

SANTA ANITA MANUFACTURING CORPORATION,
Respondent.

PETITIONERS' REPLY BRIEF.

(1) Respondent Inferentially Concedes the Validity and Urgency of the Reasons Advanced by Petitioners as Warranting the Grant of Certiorari.

Respondent's brief fails to meet petitioners' contentions. Instead, respondent seeks to rely on the fact that, since *Graham v. Deere,* 383 U.S. 1, the Ninth Circuit has "held valid a claim on a combination of old elements in *Hensley Equipment Co., Inc. v. Esco Corp.,* 373 F.2d 432".* (Br. p. 6).. From this, respondent argues "The Court of Appeals for the Ninth Circuit is not declaring as law that a combination of known elements cannot under any circumstances be patentable unless an element performs a new function" (Br. p. 6). Respondent overstates the *Hensley* decision.

In *Hensley,* the Ninth Circuit held that claim 8 of the involved Baer patent on a combination of known

*The correct citation to *Hensley* is 375 F. 2d 432.

elements was valid because of a "new result", *i.e.*, a "cantilever effect" in a two-part excavating tooth. But there was another combination claim in suit, number 9, which the trial court had held valid but which the appellate court held invalid because it did not produce that new result, saying, "Without that cantilever effect, the claim 9 combination is of doubtful novelty and, we conclude, is obvious". 375 F.2d, at 437.

Respondent's brief nowhere takes note of what is manifest in the *Hensley* decision—*i.e.*, the fact that one claim was held valid solely because of a new function or result and that another claim was held invalid solely for lack of a new function or result.

While respondent argues that, in *Hensley*, the Ninth Circuit acknowledges the accuracy of this Court's observation that "the validity of each of these patents turns on the facts" (Br. p. 6), its brief nowhere mentions that the appellate court in that case also stated that the obviousness or non-obviousness of the subject matter of a patent presents a question of *law*. 375 F.2d, at 436.

Thus, the situation in the Ninth Circuit regarding patentability of combinations of known elements is precisely as presented in the petition, *i.e.*, the Ninth Circuit has declared, as law, that a combination of known elements cannot, under any circumstances, be patentable unless the elements perform a new function (Petition, p. 7). Plainly, respondent's characterization of this proposition as "falsity and sophistry" (Br. p. 6) is unwarranted hyperbole resorted to out of inability to support the position of the Ninth Circuit on authority, principle or logic.

(2) Respondent Confuses Tests of Patentability With the Strictness of Application of Those Tests.

Petitioners are not "asking the Court to relax the standard of patentability" (Br. 2), but only to declare that the same test of patentability be applied to *all* patents. Briefly stated, petitioners contend that the action of the appellate court directly conflicts with the Patent Act of 1952 and holdings of this Court and other appellate courts (Petition, pp. 7-12), because the Ninth Circuit is discriminating against combination patents by adding a fourth test of patentability, one of "special strictness", *Hensley v. Esco,* 375 F.2d, at 436, to the three tests specified in the Patent Act. To petition this Court for a ruling that mechanical combination patents cannot lawfully be discriminated against as subject to a non-statutory fourth dimensional test is plainly not a request to lower the overall standard of patentability. Such a contention by respondent (Br. pp. 1-2) is patently a "straw man". On the contrary, what the petitioners seek is to have the Lugash mechanical combination patents tested solely by the three exclusive criteria of the Patent Act at the same level of strictness applicable to non-mechanical patents.

(3) Respondent's Brief Misstates the Record.

Respondent, at some length, asserts that the appellate court was dealing with "uncontroverted facts" and that it held the Lugash patents invalid on all of 35 U.S.C. 101, 102, 103 (Br. pp. 4, 5, 7). These assertions are fiction so far as the actual record in this case is concerned.

As for the facts, the Court of Appeals treated the Lugash '227 patent as a combination of two elements, an act irreconcilable with the actual claims and with the trial court's Finding 7 (Petition App., p. 16). The view that platform inversion was "mechanically possible" in prior Novotney '403, is based solely on argumentative oral testimony of defendant's witnesses [R. V. 483, VII 786], a view in which the appellate court gave no weight to the trial court's Finding 16 that nothing in Novotney '403 even suggests such function (Petition App., p. 18). The appellate court thought that the record in only one place reflected the application of a test of new function to the Lugash '227 patent, *i.e.,* Finding 8 (Petition App., p. 35), totally overlooking another finding of new function, *i.e.,* Finding 22 (Petition App., pp. 19, 20). The appellate court's overturning of Finding 8 because the court saw in Novotney '403 the use of power means to elevate the lifting arms, whether the platform is inverted or extended (Petition App. p. 37), is in the face of unchallenged evidence that such is a futile, unworkable function never comprehended by Novotney [R. VII 894; Petition App., p. 18; Findings 15, 16, 17].

Capping off its argument on the facts, respondent asserts that the Lugash patent devices are "indistinguishable from similar loaders 25 to 30 years ago" (Br. p. 8) in spite of the trial court's conclusion that Lugash '227 constitutes a marked advance in the art (Petition App., p. 25).

The petition, with supporting record references to the findings and evidence, specifically controverts the Court of Appeals' view of the patents in suit and the prior art (Petition, pp. 12-17). Respondent's brief nowhere attempts to show any record support for the Court of Appeals' view of the facts.

Respondent's assertion that the Court of Appeals held both Lugash patents in suit to be invalid under all of 35 U.S.C. 101, 102 and 103, is utterly without foundation in the opinion of the appellate court. The fact that respondent makes this contention without supporting reference to any portion of the appellate court's opinion or to any portion of the record in this matter is noteworthy. As was pointed out in the petition, at pages 7 to 10, the appellate court held both Lugash patents invalid *solely* under its special, severe test of new function for combinations of known elements and totally begged the question of 35 U.S.C. 103 non-obviousness (Petition, pp. 17, 18). The actual questions presented by this case are those stated in the petition, important questions which respondent's brief has avoided.

Conclusion.

Petitioners submit that settlement of the questions presented by the petition is of great practical importance in the administration of the patent system since combination patents, the most numerous type, are involved. There is square conflict among courts of appeal as to whether a "new function or result" is re-

quired in such cases. The Ninth Circuit is in direct conflict with this Court's mandate that courts shall give effect to statutory, rather than non-statutory, tests of patentability. Uniformity of decision will be frustrated so long as the position of the Ninth Circuit goes unchecked by this Court. We submit that these are compelling reasons warranting issuance of a writ of certiorari to the United States Court of Appeals for the Ninth Circuit.

Respectfully submitted,

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